



GEORGIA REAL ESTATE EXAM GLOSSARY

Inactive license

An inactive Georgia real estate license is current but not authorized for brokerage activity.

OFFICIAL AREA

State Laws and Rules

KNOWLEDGE CLUSTER

Georgia licensing

LEARNING SYSTEM

Define, distinguish, apply, retrieve

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

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01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Inactive license mean?

An inactive Georgia real estate license is current but not authorized for brokerage activity. An inactive salesperson or associate broker may not perform licensed acts or receive compensation for them.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Inactive is a license status. Lapsed or expired means the license was not maintained as required, while revoked means the Commission withdrew the license through discipline.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Activation requires the filings and affiliation applicable to the license class. Holding an inactive license does not create a grace period for practicing.

WORKED EXAMPLE

A salesperson leaves a brokerage and places the license on inactive status. The person may study or seek a new broker but may not negotiate listings in the meantime.

EXAM TRAP

Being licensed in name is not enough. The question asks whether the license is active at the time of the act.



02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

A salesperson leaves a brokerage and places the license on inactive status. A friend asks the salesperson to list the friend's house and offers to pay a fee directly. What is the correct answer?

- ☒ A Allowed, because the license is still current
- ☐ B Allowed if the friend pays the fee in writing
- ☐ C Not allowed until it is active under a broker
- ☐ D Allowed during a short grace period after leaving

CORRECT ANSWER: C

An inactive license stays current but does not authorize brokerage activity or compensation for it. The salesperson must first activate the license under a broker. Being licensed in name only is the trap, and Georgia offers no grace period for practicing while inactive.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- ☐ I can define the term in one precise sentence.
- ☐ I can separate it from the closest look-alike.
- ☐ I can explain the Georgia rule or confirm that the national rule applies.
- ☐ I can answer the practice check and explain every option.



03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Active license

An active Georgia real estate license authorizes the holder to perform acts within that license class while properly affiliated, supervised, renewed, and compliant with applicable education and legal requirements.

<https://www.passgeorgiarealestate.com/glossary/active-license>

RELATED TERM

Georgia salesperson

A Georgia salesperson is an individual licensed to perform real estate brokerage activity on behalf of a broker.

<https://www.passgeorgiarealestate.com/glossary/georgia-salesperson>

RELATED TERM

Sponsoring broker

A sponsoring broker is the Georgia broker with whom a salesperson or certain other licensee affiliates so the license can be active and the licensee can perform brokerage activity through that broker.

<https://www.passgeorgiarealestate.com/glossary/sponsoring-broker>

RELATED TERM

Firm license

A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker.

<https://www.passgeorgiarealestate.com/glossary/firm-license>

RECOMMENDED NEXT COMPLETE LESSON

State Laws and Rules complete lesson

<https://www.passgeorgiarealestate.com/georgia-real-estate-license-active-vs-inactive>

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

<https://test-takers.psiexams.com/api/content/bulletin/4672>

2. Georgia Real Estate Commission Rules, Chapter 520-1

Official Georgia Secretary of State publication of Commission rules governing licensure and brokerage.

<https://rules.sos.ga.gov/gac/520-1>